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Proposed Regulations for Front-of-Package Labels

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Policy and Program Announcements Retail Foods

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Report Highlights:

Health Canada recently concluded a public consultation on proposed front-of-package (FOP) labeling designs and identified how forthcoming regulations could limit marketing of foods with FOP labels. Final FOP and proposed marketing to children regulations are expected to be announced later in 2018. Industry stakeholders are concerned that these regulations could negatively impact sales of packaged food products in Canada. Canada was the number one U.S. export market for high-value, consumeroriented goods in 2017, valued at more than \$16 billion.

Keywords: Canada, CA18045, FOP, labeling, marketing, children

General Information:

A Health Canada consultation on proposed <u>front-of-package (FOP) labeling designs</u> closed on April 26, 2018. Results from the consultation as well as the proposed regulatory text are anticipated to be released later in 2018 along with the announcement of the final regulations in Canada Gazette – Part II. Proposed timelines call for a three-year phase-in period, with a full compliance date of December 2022.

Though the proposed symbols and regulatory text released in *Canada Gazette – Part I* incorporated feedback from earlier stakeholder outreach, the proposed FOP regulations and symbols remain a concern among some stakeholders. Health Canada has indicated that the final decision on an FOP symbol will incorporate further consumer research as well as comments received through formal consultations. However, Health Canada has not indicated if the final FOP symbol would be selected from one of the <u>four designs</u> proposed in the consultation. Health Canada has also released an infographic to highlight "Why Canadians need a front-of-package nutrition symbol" on food.

Additionally, under Canada's initiative to <u>restrict the marketing of unhealthy food and beverages to children</u>, Health Canada has proposed a definition for "unhealthy" foods. Health Canada could define an unhealthy food as either:

- a food exceeding the nutrient thresholds for <u>low in claims</u> on sodium or salt, saturated fatty acids, and/or sugars; or
- a food which carries an FOP symbol as proposed in the <u>draft FOP regulations</u>.

Health Canada has proposed two categories of foods for exemption from FOP regulations:

1) Conditional exemptions

- Alcoholic beverages with an alcohol content greater than 0.5 percent;
- Raw, single-ingredient meat and poultry, meat by-products, and poultry by-products, but not including ground meat or poultry;
- Raw, single ingredient marine or freshwater animal products;
- Products prepared and processed at retail, including those products made from a pre-mix if an ingredient other than water is added during preparation and processing;
- Individual servings of food sold for immediate consumption assuming the food has not been subjected to a process to extend durable life (special packaging would be included as a process to extend durable life);
- Products sold exclusively in the retail establishment where packaged and if labeled by a sticker and where available display surface area is less than 200 cm²;
- Products sold at roadside stands, craft shows, flea markets, fairs, farmers' markets or sugar bushes by the person who prepared and processed the product;
- Products with an available display surface area of less than 100 cm².

Conditionally exempted products would lose the exemption status should the product be required to carry a Nutrition Facts Table. Some examples for loss of exemption would include: a label making a claim about calories or a specific nutrient, vitamin, or mineral; or if the product carries a label or advertisement making a nutrient claim.

2) Full exemptions

- Fresh, frozen, or canned vegetables, fruits, or combinations thereof with no additional ingredients except water or approved food additives;
- Products with a display surface of less than 15 cm²;
- Individual portions of food to be served in a restaurant or other commercial enterprise with meals or snacks;
- Cow and goat's milk products sold in refillable glass containers;
- Non-flavored whole and partly skimmed milk in liquid or powder form;
- Whole eggs in fresh, liquid, or powdered form;
- Sweetening agents including maple sugar and maple syrup;
- Salt for table or general household use, including celery, garlic, and onion salts;
- Individual rations for military use.

Additionally, an FOP symbol would be prohibited for use on foods categorized as: formulated liquid diets, foods for use in a very low energy diet, human milk substitutes, and foods represented as containing a human milk substitute. Foods targeted to infants under six months of age would also be prohibited from carrying a FOP.

Given the proposed exemptions and the potential designation of foods carrying an FOP symbol as "unhealthy," some industry stakeholders remain concerned with these regulatory proposals.

As of June 2018, Health Canada plans no further consultations on future FOP labeling regulations. However, proposed regulations on marketing to children would be subject to a consultation period following their publication in Canada Gazette – Part I, expected by the end of 2018.